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AFFORDABLE HOUSING

An Action Plan for Pleasanton

Prepared by the  
HOUSING TASK FORCE  
of the

Pleasanton Chamber of Commerce  
Pleasanton, California

April 1981

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## INTRODUCTION

The following report has been prepared by the Pleasanton Chamber of Commerce Housing Task Force. The issue of housing--specifically affordable housing--has received Chamber attention for several reasons. First, the Chamber represents among its members many businesses directly or indirectly involved in housing. The majority of members are also residents of Pleasanton. Thus not only the interest, but the expertise and resources necessary to make an informed contribution on the subject are available through the Chamber.

Second, as advocates for commercial and industrial growth in the community, we feel a responsibility to address the question of housing. It is not realistic to expect other communities to accept the entire burden for housing and public services generated by an increased employment market in Pleasanton. The "jobs/housing imbalance" has become a popular phrase with respect to the situation in Santa Clara County, and this community cannot ignore the implications of commercial growth.

Finally, as the representative of some 400 businesses in Pleasanton, we wish to present a free-market oriented analysis of the problem of affordable housing. The housing industry has in the past provided, and can continue to provide, housing for the vast majority of needs, but this requires an environment in which the public sector is supportive of the housing market, allowing it to operate efficiently and working as a partner to help make housing available to the widest crossection of present and potential residents who lack the resources to participate in this market. While many will call upon government to shoulder the burden of providing housing, we advocate this partnership role as a positive alternative in a time when shrinking budgets restrict government expansion, and when the demand for housing increases daily and the troubled housing industry faces a number of financial and market pressures.

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## PURPOSE

The purpose of the Housing Task Force has been defined as follows:

To research and present to the community options available to us locally to increase the community's supply of affordable housing and rental units. This goal will be approached by exploring the resources of the community and the private sector in a positive manner, rather than through regulation or control of the housing market. In order to accomplish this goal, the task force will be composed of a small group of people having expertise in the areas of construction, housing development, real estate and finance.

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DEFINITION: "AFFORDABLE HOUSING"

The Department of Housing and Urban Development has defined low and moderate income levels based on the median income for a family of four. The 1980-'81 Bay Area SMSA median income is \$23,400.<sup>1</sup> Low income is less than or equal to 80% of this figure, or \$18,720 and below. Moderate income is from 80 to 120% of the median, or from \$18,720 to \$28,080.

The median income for Pleasanton, at \$27,000,<sup>2</sup> is somewhat higher than for the Bay Area as a whole. If we use only this community as a comparison, a moderate income ranges from \$21,600 to \$32,400.

At a generally accepted mortgage qualifying rate requiring a monthly income of four times the principal and interest payment, a moderate income family in the Bay Area could buy a home ranging in price from \$47,500 to \$71,000, at 12% interest. At 15% interest this price range decreases to \$38,500 to \$57,800. Using the figures for moderate income families in Pleasanton, the range for moderate income housing at 12% interest is from \$55,000 to \$82,000. At 15% this price range decreases to \$44,500 to \$67,000.

Even if our "mission" were to provide affordable housing only for persons at the income level of current Pleasanton residents, it is clear that with an average home price of almost \$124,000 (based on a survey of actual homes sold from the Multiple Listing Service of the Southern Alameda County Board of Realtors), Pleasanton's current ability to meet these needs is doubtful.

The problem with rentals is slightly different. At Pleasanton's median income, a family could spend from \$562 to \$675 in rent, based on 25-30% of their monthly income. The draft Housing Element



of Pleasanton's General Plan lists affordable rents of moderate income households from \$273 to \$540 for a single person, and from \$390 to \$773 for a family of four. The report observes, "rental units in Pleasanton seem to fall well within the above noted ranges even with the trend of rising rents."

It should be recognized, however, that according to a survey taken at the request of the City Council during 1979,<sup>3</sup> the median income for renters is actually much less than for homeowners. In 1979 that figure was \$17,200. At this level, affordable rents are much lower, from \$354 to \$425. The rental market then appears in reality to be serving low to moderate income levels. Rental costs may be more prohibitive to these people, but the real problem at both levels is not affordability, but availability.

New rental construction is very difficult to finance, for rent increases have not kept pace with mortgage increases or increases in construction costs. Furthermore, regulatory measures such as rent control discourage builders and financial institutions from even considering certain communities as potential sites for apartment developments.

Nevertheless, it appears that rental housing could be the best alternative for moderate income persons in Pleasanton. The challenge is to take whatever steps are possible locally to make apartment construction feasible.

As is noted in the draft Housing Element of the General Plan, the price of an affordable home or apartment in Pleasanton is not a single figure, but a broad range of figures dependant upon income and family size. Rather than put a price tag on "affordability", the target of this report will be to affect the costs of housing development to a great enough degree to permit the construction of housing,



both rentals and owner-occupied units, which would be available to individuals and families at or below the upper moderate income levels. In addition, we hope that both business and local government will place special emphasis on devising ways to help elderly persons on fixed incomes, many of them members of this community now, obtain decent, safe and affordable housing within Pleasanton. Thus, this report will address two major issues: How to reduce the cost of housing construction for the provision of a reasonable amount of affordable housing in the community, and how to meet the needs of specific groups within the community.



### THE PROBLEM: A Local Perspective

The problem of affordable housing is certainly not unique to this community. There is almost no housing in the Bay Area or California as a whole for most first-time buyers of moderate income. In fact, only about ten percent of the single-family homes sold in California in January 1980 were priced at a level such buyers could afford.<sup>4</sup> But the problem can be described more specifically for Pleasanton.

Growth restrictions imposed by City policy and implemented through the Residential Allocation Program intensify the shortage of housing common throughout the Bay Area. Whether growth restrictions or growth management are desirable as local policy or not, there is no doubt that they contribute to the increased cost of housing. If nothing else, RAP and limited sewer capacity reduce competition in the local housing market, causing new housing to be priced at "whatever the market will bear" rather than what another developer may be able to cut from the price of a similar house down the street.

Because so few homes are built, and because RAP is a competitive process allowing the City to pick and choose among developments, the standards for housing in Pleasanton are very high. No one argues that decent, safe housing should be required, but aesthetic preferences and the expectation of amenities are much different than needs. Statistics show that up to 25 percent of the rise in the median price of homes in California is due to the increased quality and size of American Homes.<sup>5</sup> An affordable home is not a luxury model with government subsidies and price restrictions, but a home which meets the needs of the occupant and the community at a cost-effective level.

Since the passage of Proposition 13, local governments have turned increasingly to fees assessed against new housing for revenues.



While Pleasanton is certainly not the worst offender, and while new homes should cover the cost for City processing and certain basic services such as sewer hookups, fees collected in excess of these basic requirements really constitute a tax on new residents. In addition, delays in the permit process, particularly as imposed by RAP's annual selection process, add to the cost of a home because of carrying charges for land and the constant increase in material and labor costs that occur during the process.

Pleasanton anticipates the development of well over 1,000 acres of commercial and industrial land during the coming 5-20 years. As new jobs are added to the area's economy,<sup>6</sup> housing must be provided as well. In a time when conservation of resources (such as fuel at \$1.50 per gallon) is becoming increasingly important, it is not reasonable to expect outlying areas to meet all housing needs for Pleasanton's labor force. Such growth will intensify the need for affordable housing in Pleasanton.

Finally, one cannot ignore the many factors which are beyond local control and have a major impact on the housing market. Inflation, increased and unstable mortgage rates, and a national trend toward the increased formation of new households have all contributed to the rise in housing prices throughout the nation.

In attempting to address some of these problems, this report has been divided into three sections:

- \* City Standards and Procedures
- \* Financing
- \* Opportunities for Pleasanton

This report is not intended to be a solution to the problem of affordable housing, for no simple solution exists on a local level.



However, many of the suggestions and observations contained in this report can help Pleasanton mitigate these problems to some extent. Because there is no simple solution, it is even more important for the public and private sectors here in Pleasanton to work together investigating and implementing the opportunities highlighted in this document. By a united, committed effort, Pleasanton can make a difference in the local affordable housing market.

Because the goal of this report is to make a difference, it concludes with action guidelines for the City and members of the community, as well as an action plan to be undertaken by the Chamber of Commerce.



## CITY STANDARDS AND PROCEDURES

Housing development requires a great deal of contact between the builder and local government at every step, from compliance with zoning, design and building standards, to design review, permit processing and inspection. If we view each of these contacts as a source of additional cost, it becomes apparent that there may be many opportunities to reduce housing costs by a careful look at Pleasanton's City standards and procedures.

### 1. Permit Process

There are actually two very good reasons to take a careful look at opportunities to simplify and shorten the permit process for housing projects. The first is to reduce the cost of every housing project as far as possible by eliminating time delays and processing costs to the developer, and to offer special incentives for desired forms of housing. The second is to reduce the workload of City staff. Taxpayers are asking for more services from fewer public employees, and from a management perspective it makes sense to make the permit process as efficient as possible to conserve staff time.

The American Planning Association, the Bay Area Council, CEEED\* and several other groups have produced studies and reports highlighting the need and opportunity for revision of the permit process at a local level. We particularly recommend APA's report, "Simplifying Development Regulations: A Guidebook for Local Governments." Cities such as Fremont and Anaheim have accomplished substantial reductions in the amount of steps and time involved in permit processing for housing projects.

\*Californians for an Environment of excellence, full Employment and a strong Economy through planned Development



In addition a system of priority processing and special fee schedules could be established for low and moderate income housing developments. For example, the City could waive soft city fees such as inspection, building permit, application and processing fees. Or it could use housing funds currently on hand to buy down sewer and water fees. In-lieu park and housing fees could be waived, or could be deferred until final inspection. Pleasanton's planning and permit process should be reviewed by representatives of the City and the building industry, to determine how the process could be made more efficient and to outline how far the City would be willing (and financially able) to go to speed up the process and reduce the expense for affordable projects.

## 2. Building Standards

According to the draft Housing Element of Pleasanton's General Plan, "it is the general housing goal of the City of Pleasanton, to the extent possible, to fulfill the basic housing needs and provide a suitable living environment for all of its current and future residents." A subgoal is for the provision of all types of housing to serve a variety of income levels, and the point obviously is not to provide the same house to everyone at different prices, but to assure a variety of housing stock. In setting building standards for housing, the community must allow enough flexibility to permit the development of affordable housing. We call housing that meets the basic needs of moderate income families "no-frills housing."

A "no-frills" dwelling might be a 900 square foot, 2-bedroom condominium with parking spaces for 2 cars, community storage space, slightly narrower streets than standard subdivisions, with sidewalks on one side of the street, no curbs and a density of 20/acre.

It might be a 1300 square foot single-family home with 3 bedrooms, a carport, asphalt driveway, community storage and recreation area including a children's playground, with a density of 8/acre.



A "no-frills apartment" might be a 700 square foot efficiency unit with parking for one car, a small pool or recreation area shared with other units, community storage, and a density of 25/acre.

Such homes would never sell (or rent) for as much as their more luxurious counterparts (which would eliminate the need for government price control mechanisms), but they could provide housing for single or elderly persons, single heads of household, or young families looking for their "starter home." A project in Pleasanton which includes affordable housing units was recently approved after the addition of several conditions, including six-inch vertical concrete curbs, garage door openers, and landscaping trees with a minimum size of 15 gallons. While most of the 42 conditions for this project are appropriate and reasonable, many are standard conditions utilized in most PUDs in the City and may not be necessary when considering a below-market project. How important were these conditions in fulfilling basic housing needs ?

### 3. Density

The Association of Bay Area Governments reports that in 1975 the average housing density for the region was 8.1 units per acre. But their survey of local land use policies indicates that housing constructed from 1975 to 2000 is planned at a maximum average density of only 4.8 units per acre. Demand appears to be shifting toward smaller homes and lots, but in practice communities seem to support large-lot, single-family home construction, and many cut the density of projects as a condition of approval.<sup>7</sup> In the Bay Area two major housing projects, proposed in 1972 for a total of 11,238 units, were cut to 3,445 before approval, for a loss of 7,739 units.<sup>8</sup>

Conservation of natural resources including land demands that a



reasonable amount of land be zoned for high-density development in Pleasanton. Following materials and labor, the single largest cost of housing is land. Higher densities spread land costs among more homeowners. Density bonuses should be considered for affordable housing projects, and the City should be open to the discussion of higher densities on appropriate parcels for certain developments.

#### 4. Off-site Improvements

The City should review its requirements for off-site improvements to determine which ones could be modified or eliminated as part of appropriate projects. Such modifications as common driveways, narrower streets, single sidewalks, one-way streets or private streets could be appropriate in certain developments.



## FINANCING

As the cost of housing increases across the nation because of inflation, rising interest rates and a short supply of housing, and assuming the rate of increase continues to be higher in the Bay Area than almost anywhere else in the nation, it becomes increasingly important to look for some methods of financial assistance for developers and purchasers of homes in the affordable range. There are several alternatives available to Pleasanton.

### 1. Write-down of Government Owned Land

A survey by ABAG indicates that there are some 2,656 acres of surplus publicly owned land in the nine county Bay Area.<sup>9</sup> In the City of Pleasanton, the City and local school districts own several parcels of vacant land. While not all of these sites may be suitable for housing projects, some may, and those that are not are potentially tradeable for appropriate sites.

Publicly owned land represents a considerable resource which can be devoted to the provision of housing for certain groups. The City could participate as a partner in affordable projects, rental construction, senior citizen housing and so forth by making such land available at below-market rates, or by leasing these lands for development. Either step would, additionally, provide City revenue.

It should be noted that, in the case of school owned land, the established method for disposal of the sites is quite complex. Since the schools may in fact be prohibited from selling land at below-market rates to a private developer even for special projects, the participation of the City as a go-between or leasing agent could be very important. Based on current economic conditions, projects such as this may provide the only realistic way of creating rental housing to meet the community's needs.



## 2. Direct Sources of Funds

In addition to federal subsidy programs such as HUD Section 8 funds, Pleasanton has several other potential sources of funds.

### a. Mortgage-backed Revenue Bonds

The Southern California city of Duarte, with a population of 14,600, has to date issued some \$100 million in revenue bonds, resulting in the construction or planning of over 1,000 single-family units and a 112-unit apartment complex. The California city of Pittsburg is administering the issuance, sale and use of Home Mortgage Revenue Bonds in the amount of \$235 million for the cities of Antioch, Brentwood, Clayton, Concord, El Cerrito, Hercules, Martinez, Pinole, Pleasanton Hill and Richmond. The purpose of the project is to "provide long-term, low-interest rate home mortgages to persons who are unable, because of their income, to afford conventional mortgage loans." Such mortgages "may be made only with respect to newly constructed, substantially rehabilitated, or existing owner occupied single dwelling units."<sup>10</sup>

While the 1980 Omnibus Tax Reconciliation Bill sets a deadline for issuance of tax-exempt bonds as December of 1983, making implementation of such a program impractical in many cases, ABAG is encouraging communities to explore this option where possible as a source of assistance for low or moderate income families who might not be eligible for other assistance. Such a program might be feasible in conjunction with other local communities, and should be explored immediately, because of these time constraints.

### b. Fee-based Revenues

The City of Pleasanton had, as of December 31, some \$185,000 in a special fund generated by the RAP program and earmarked



for provision of housing. These funds could be used to subsidize land, construction or permit costs, or perhaps to allow the City to create a self-funding equity sharing or low interest loan program.

c. Non-profit Corporations

The Housing Authority of the City of Pleasanton helps fulfill a need for low-income and elderly housing. In addition, Pleasanton Greens and Pleasanton Gardens provide similar services through non-profit corporations. A non-profit group could receive City assistance, such as the lease of City-owned lands or waiver of fees, and thereby increase Pleasanton's rental stock by several hundred units throughout the City at one time. The City should determine, and then make clear to the community, how far it would be willing to go to assist a non-profit corporation in such a development.

Many types of assistance the City may be prohibited from giving a private developer could potentially be given to a non-profit corporation for affordable housing.



## OPPORTUNITIES

During its three months of study the Housing Task Force has discovered many examples of communities creating their own opportunities to provide affordable housing. We hope the community will share some of the excitement and optimism we feel about the following programs.

### 1. Modular Housing

The Urban Land Institute reports that as many as one third of all new housing starts reported at all levels of government are manufactured homes and, as the California Association of Realtors observes, "perhaps the most significant contribution manufactured housing has made is in the area of low to moderate income housing."<sup>11</sup>

Less than 2% of all "mobile homes" (now manufactured homes according to recent legislation) are moved from their initial site. Manufactured housing can provide permanent, low-cost, attractive and cost-effective housing for many segments of Pleasanton's economy.

The County of San Diego has examined this issue in depth, and has initiated an overall program to encourage manufactured housing. For information on their programs, we refer to the report of the California Association of Realtors, Directions for Solving the Housing Crunch. The details are outlined in the following excerpt:

"Faced with a severe lack of space for mobile homes, a near-zero vacancy rate in existing parks, stagnation of new construction and an increase in the number of existing parks being converted to more lucrative enterprises, mobile home owners in San Diego County were



being forced to sell their coaches and find alternative housing.

"The Board of Supervisors (after study by a Blue Ribbon Committee) approved proposals to allow density bonuses to developers of mobile home parks for medium income residents; establish a permanent single-lot regulation allowing mobilhomes on any buildable lot (since enacted by state law); permit the construction of no-frills parks adjacent to existing parks; and establish a permanent mobilhome zone. In addition, the county is working with committee members in locating and evaluating nearly 200 sites for new mobilhome park construction."<sup>12</sup>

San Diego County will not subsidize these developments. There is such a significant cost differential for manufactured housing that no subsidy is necessary. However, the County has offered public funds for the preparation of Environmental Impact Reports, general plan amendments or rezoning.

Pleasanton should take a serious look at steps to encourage the location of more mobilhome parks in the community, and should consider adding provisions to the building code to make modular and manufactured housing available for Pleasanton.

## 2. Zoning

Several zoning changes can be considered as another way to provide unsubsidized rentals and owner-occupied units.

It may be possible to create a zone change that would allow, in certain neighborhoods zoned for single-family housing, the creation of "mother-in-law" units as part of a home. Thus a small rental unit over a garage, in a large backyard and so forth, could be built along with single-family homes. Thus, one rental could



be provided with each home built. A rental unit over a garage, for instance, could not only generate a small amount of income to help the homeowner meet mortgage payments, but could provide an ideal home for a senior citizen or single person. Senior citizens housed in this fashion are not isolated from the community or from families. In addition, some of the problems identified with apartment projects such as lack of maintenance would be avoided, as would the perceived problem of condominium conversions.

The City of Pleasanton is fortunate to have an abundance of industrial or commercially zoned land. Since development of these properties is just in the planning stages, this might be an excellent time for the City to consider zoning some of these parcels for mixed commercial/residential use.

There are several advantages to this alternative. Generally, the parking and traffic patterns for residential and commercial sites are nearly opposite, permitting use of parking garages, for example, on a 24-hour basis for residents at night and employees during the day.

Second, many City services could be provided on a "two-for-one" basis. Fire, water, police and public works would provide service for two uses, instead of just one, at a single site.

We would suggest that a project of 60 or more acres (for example), zoned for office, commercial and light industrial uses, might be the ideal location for a multiple-story condominium or apartment complex. While such a location would probably not be suitable for families or the elderly, it could provide housing for working singles or couples without children. With the amount of open space being provided in most of these developments, it is certainly possible to create an excellent living environment for some segments of the community. The rate of formation of new households in the nation, and particularly in California, has increased dramatically



in recent years. Many of these households are working single men and women, divorced people, or married couples with no children. Such a development could provide an ideal way to house these people, again at no cost to taxpayers for subsidies. Residents typically found in such developments do not require the same amount of public services (schools, for instance) that families require.

### 3. The Use of Surplus Buildings

In 1979 a private developer completed the conversion of an unused Pacific Telephone office building in Los Angeles to a 12-story rental complex with 308 one-bedroom and efficiency units, lounges, a library, laundry, roof-top recreation area and garden, and community room.

Successful completion of this project was dependant upon several factors, with one of the most important being commitment on the part of the developer, the Office of the Mayor and the Department of Community Development in L.A. While such projects might be more feasible in urban areas where more surplus buildings exist, there may be opportunities in Pleasanton for similar programs. A hypothetical example, which presumes a surplus school site (designated as Alisal School for purposes of discussion) is described below:

Example: Alisal School

Use: Seniors apartment complex with common kitchen and dining room facilities.

Site summary: Single story "day use hotel" facility with rooms partitioned into 900 square foot units on concrete slabs in "winged" configuration. Central city location within walking distance to shopping centers, parks, library, cultural arts center, post office and public transportation.



Conversion requirements:

- a. enclosing corridors
- b. adding bathroom units to partitioned suites
- c. possible in-filling of additional units between wings
- d. landscaping
- e. possible kitchenettes
- f. lowered ceilings
- g. relocation of windows, doors and interior walls
- h. code requirements

Possible number of units: 30 to 60 two-person units for  
60 to 100 persons

Advantages of site:

- a. sound structures
- b. single story (for seniors or handicapped)
- c. location
- d. competitive uses are limited
- e. non-disruptive to neighborhood

In this example it can be seen that such a conversion would provide an ideal site for elderly or handicapped residents who can and wish to live independently, in a central location where meals, laundry facilities and other basic needs can be provided on site. Opportunities for programs such as this may, now or in the future, exist here in Pleasanton. We encourage developers, community organizations and the City to be aware of such opportunities.

4. Lease of Air Rights

In San Rafael the City leased air rights over a public parking lot to provide 83 units for elderly persons. Financing was obtained by the Housing Authority and the project was constructed by a private developer. This project benefitted the City by providing rental income without risk, and housing for elderly residents. The developer received tax benefits, low-interest financing and a decrease in up-front costs.



It is conceivable that the City now owns, or may at some future time own, parking lots or facilities in Pleasanton. Such a program in conjunction with mixed use zoning might permit a development in the downtown area (for example) ideal for housing elderly persons, again potentially at no cost to the taxpayer but with provision of actual municipal income from the lease. After their successful experience, the city of San Rafael has adopted an ordinance providing regular procedures for such projects. It might behoove the City of Pleasanton to study this ordinance and consider adapting it to our own community.

##### 5. Affordable Housing Competition

The State of California is currently conducting a design competition for affordable housing projects. A member of Pleasanton's City Council has suggested a similar program on a local level, and we endorse such a project.

As mentioned in this report, the City has several resources which it could devote to housing--specifically land and dollars. If some of these resources were allocated on a competitive basis, the City could encourage their most cost-effective use. A series of general guidelines could be drawn, leaving room for flexibility in the areas of financing, location, density, population served, etc. in order to allow as much creativity as possible. The City could then invite developers and/or community groups to compete for these resources, as well as for support and recognition from the community. Such a competition might be a good way to encourage developments more suitable for families, to supplement the many alternatives which are more appropriate for one or two people.



## CONCLUSIONS

Housing prices have risen dramatically across the nation during the past few years. As a result, home ownership has become more than a preferred style of life, and is additionally one of the only inflation hedges available to many Americans. Housing today is not just shelter, but an investment.

In California the increase in housing costs has been almost twice that of the rest of the nation. The primary cause of this difference has been the constriction of housing development in this state, particularly in Northern California. The need for housing has been sacrificed to the desire to preserve the environment, rather than to conserve resources, and the desire of current homeowners to maintain and increase the values of their homes. The cost of these policies is now being borne not by those who imposed them, but by those who are now unable to enter the housing market, to find housing in close proximity to jobs, or to choose the community in which they wish to reside. If current policies continue, the Bay Area faces a potential shortage of 350,000 housing units by 1990.

Although the only long-term solution to the problem of affordable housing lies in a regional effort to balance the need for housing with conservation of resources, wise use of land, job growth and provision of public services, there are steps local governments can follow to help meet some of the demand for affordable housing which currently exists within their own communities.

Unless more reasonable policies are adopted by local and regional governments, they will be imposed on us by the State. As noted in the draft Housing Element of the General Plan, ABAG has, at the request of the State, established fair-share requirements for the provision of housing for cities in the Bay Area. When asked what



authority or means ABAG had to enforce compliance, their representative stated that compliance could only be forced by lawsuits brought by one or more communities against a neighboring community alleging a good-faith effort to meet the requirements has not been made. The implications of these requirements and the potential for litigation among communities is disturbing, to say the least.

And on a similar note, State Senator John Holmdahl has introduced a bill limiting development fees levied by local governments to the amount necessary to cover public services. The bill would further require local governments to hold public hearings before levying new fees or increasing existing charges.

It is not Pleasanton's obligation to solve the housing crunch by providing homes for the entire Bay Area, or to serve the housing needs of all our neighbor communities. But it is our responsibility to do what we can to remedy our own lack of housing for low and moderate income persons, and for elderly and handicapped residents who have been part of this community for many years and now find themselves squeezed out of the housing market. This report is submitted to the community in the hope that some of the positive alternatives described herein will be implemented by the City, and we offer the assistance of the business community in such an effort.

The final section of this report presents our recommendations for a action by the City, the Chamber of Commerce and other interested individuals and groups. We believe the City of Pleasanton can be a leader in using innovative, successful approaches to the problem of affordable housing, and we encourage the community to take this lead.



## RECOMMENDATIONS

### 1. City of Pleasanton

- \* Set up a task force to conduct an in-depth review of the permit and planning process, fee schedules, building standards and density requirements for housing to determine how they can be made more efficient and cost-effective for all housing projects, and how special consideration could be given for certain apartment, affordable or elderly projects (such as fee waivers, priority processing, density bonuses and so forth).
- \* Inventory all land owned locally by public agencies and investigate the procedure for use, sale, trade or other disposal of such land.
- \* Eliminate all apartment construction from RAP. The current exemption for complexes with 10 or fewer units has resulted in the construction of a single 10-unit complex, which ironically was reduced from 12 units to avoid RAP processing, resulting in the loss of two rental units. Because of the slowdown in apartment construction which the entire state is experiencing, anything Pleasanton can do to aid or encourage their construction is crucial. At this time we do not believe the City wants to discourage apartment developments of any size, within reasonable upper limits. If we could provide and accommodate apartment construction now, while the need is great and before costs escalate



further, future adjustments in the RAP program could be made to balance housing construction and growth capacity.

- \* Review current zoning and zoning categories to determine whether enough residential land is zoned for high- and medium-density development, to investigate the possibility of creating mixed zones permitting combined commercial and residential uses, and to determine how more land might be made available for mobilhome parks, modular housing or other specialized projects.
- \* Appoint a committee or hire a consultant to pursue immediate investigation of the potential for using mortgage-backed revenue bonds for housing construction. Because of federally-mandated deadlines and other requirements, it is important to determine the feasibility of such a project as soon as possible.
- \* Set up an affordable housing competition, possibly with several categories for manufactured housing, residences for senior citizens, moderate income housing, family housing, etc., and allocate a portion of Pleasanton's resources to such a competition.
- \* Solicit proposals and approve a pilot "no-frills" housing development, in which purchases could be financed through FHA, and for which the planning and permit processes could be streamlined, and on- and off-site requirements and density restrictions modified.



## 2. The Chamber of Commerce

- \* The Chamber of Commerce has asked the Housing Task Force to serve as a steering committee for establishing a non-profit corporation for a housing development. This steering committee will work with the City and any interested community groups in this endeavor, and we solicit their support and participation.
- \* The Chamber offers its support and manpower assistance for any of the reviews recommended above for permit process streamlining, zoning modifications, establishment of an affordable housing competition, etc.
- \* The Chamber will publicize an affordable housing competition and facilitate contact with developers and other interested parties.
- \* The Chamber plans to raise funds to develop and conduct a public information and education program presenting facts about Pleasanton's housing problem, the need for affordable housing, potential solutions, and the need for community involvement and support for affordable housing. There are many misconceptions about where the demand for affordable housing comes from, whether local solutions are available or practical, and where the responsibility for the provision of housing rests. We again ask other community groups who are committed to the need for affordable housing to work with the Chamber in this educational program.
- \*The Chamber will solicit and encourage assistance from commercial and industrial developers in Pleasanton in addressing the community's housing needs.



\* The Chamber continues to oppose government-imposed measures such as rent control and inclusionary zoning as shortsighted policies which impose the burden for provision of affordable housing on a few landlords or residents, and which discourage builders from committing their resources, expertise and financing to a community. Growth restrictions and other regulations are major contributing factors to the housing shortage, because they create short-term solutions to perceived community problems at the expense of the Bay Area's long-term needs for balanced growth, conservation of resources, and provision of jobs and housing.

Local business and government should work through regional associations, day-to-day contacts and other channels to lobby other Bay Area governments to adopt reasonable housing policies. Every community must share the responsibility for providing housing, and if we are truly committed to the wise use and conservation of resources such as land, energy, building materials and municipal services, then no-growth policies must be changed on a regional level.

Finally, we encourage every member of the community to become educated on the housing problem, and to make individual commitments to providing housing for families and individuals much like themselves who are now precluded from living in Pleasanton and from owning a home at all, and to special groups such as the elderly, who desire to remain part of this community and indeed should have the right to do so.

We must all become advocates for affordable housing!



FOOTNOTES

<sup>1</sup>Housing: The Bay Area's Challenge of the '80s, (Bay Area Council, December 1980), p.6.

<sup>2</sup>Department of Planning and Community Development, Draft Housing Element of the Pleasanton General Plan, (City of Pleasanton, 1981), p.53.

<sup>3</sup>Housing Needs Survey for Pleasanton, (Field Research Corporation, (1979).

<sup>4</sup>"California Housing Fact Sheet," (California Association of Realtors, 1980).

<sup>5</sup>Joel Singer, "Forecast for the '80s," California Real Estate, (December 1979).

<sup>6</sup>The Bay Area Council reports that the Bay Area gained some 430,000 new jobs between 1975 and 1980, but only 182,000 new housing units. ABAG projects the area's job market will grow by 800,000 from 1975 to 2000, while the Center for Continuing Study of the California Economy projects much faster job growth, for 100,000 new jobs by 2000. (Bay Area Council, p.9-10).

<sup>7</sup>Bay Area Council, p.15.

<sup>8</sup>Bernard J. Frieden, The Environmental Protection Hustle, (The Massachusetts Institute of Technology, 1979), p.140.

<sup>9</sup>Surplus Land Use, (Association of Bay Area Governments, January, 1980), p.1.

<sup>10</sup>Marker/Associates, "Official Statement of the City of Pittsburg, Relating to 1980 Home Mortgage Revenue Bonds," p.3.

<sup>11</sup>Directions for Solving the Housing Crunch, (California Association of Realtors, 1981), pp.129-151.

<sup>12</sup>ibid p. 129.



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<sup>1</sup> Housing: The Bay Area's Challenge of the '80s, (Bay Area Council, December 1980), p.6.

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<sup>12</sup> ibid p. 129.

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the 1980s, and that the government's share of net exports  
was, from 1983 through 1989, about  
three times that of the private non-financial  
sector, and that government was the largest source  
of the 1982 recession.  
In 1983, capital exports were still positive,  
but by 1985 they were negative.  
The 1980s recession, which had begun in 1981,  
had been preceded by a period of rapid  
economic growth in 1980 and 1981, followed by  
a period of stagnation and decline in 1982-83.  
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